



**UNITED STATES ENVIRONMENTAL PROTECTION AGENCY**  
**OFFICE OF INSPECTOR GENERAL**  
1595 WYNKOOP STREET  
DENVER, CO 80202

**CASE #: PRELIM-DE-2021-0017**

**CROSS REFERENCE #: 2021-0262**

**TITLE: GOLD HILL MESA HOUSING PROJECT**

**CASE AGENT (if different from prepared):**

**COMPLAINT INITIATION**

<b>Subject(s)</b>	<b>Location</b>	<b>Other Data</b>
UNKNOWN	Gold Hill Mesa Housing Project Colorado Springs, CO	

**NARRATIVE:** On May 28, 2021, Office of Investigations (OI), Office of Inspector General (OIG), U.S. Environmental Protection Agency (EPA), Denver, CO, was provided information from (b) (6), (b) (7)(C), alleging fraud and corruption by EPA Region 8 and local contractors concerning the Gold Hill Mesa Housing Project. (b) (6), (b) (7)(C) stated that the housing project is built on a former Superfund site, known as the Golden Cycle Mill, which processed gold mine ore. (b) (6), (b) (7)(C) states that EPA Region 8 certified the land and area safe, but the homes are sinking and are filled with toxic issues.

Potential violations include:

18 U.S.C § 201 – Bribery of Public Officials and Witnesses

Attachments:

None

**CASE #: PRELIM-DE-2021-0017**

**PREPARED BY: SA (b) (6), (b) (7)(C), (b) (7)(F)**

**RESTRICTED INFORMATION**

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DENVER, CO 80202

**CASE #:** PRELIM-DE-2021-0017

**CROSS REFERENCE #:** 2021-0262

**TITLE:** Gold Hill Mesa Housing Project

**INTERVIEWEE (if applicable):** (b) (6), (b) (7)(C)

**PREPARED BY:** SA (b) (6), (b) (7)(C), (b) (7)(F)

**MEMORANDUM OF ACTIVITY**  
**INTERVIEW**

**NARRATIVE:** On June 11, 2021, Special Agent (b) (6), (b) (7)(C), (b) (7)(F), Denver Office, Office of Investigations (OIG), Office of Inspector General, U.S. Environmental Protection Agency, Denver, Colorado 80202, conducted an interview of (b) (6), (b) (7)(C)

This interview was conducted because (b) (6), (b) (7)(C), (b) (7)(F) made a complaint alleging fraud and corruption of EPA officials to the hotline. Once identities were established, (b) (6), (b) (7)(C) provided the following:

(b) (6), (b) (7)(C) stated (b) (6), (b) (7)(C) was the (b) (6), (b) (7)(C) explained it was not an EPA CERCLA/"Superfund" action. Instead, the site characterization and remediation conducted by developers, as well as, the establishment of institutional controls was negotiated with, overseen by, and received any regulatory closure from the State of Colorado under the [CDPHE Voluntary Cleanup Program](#) (VCUP). (b) (6), (b) (7)(C) the EPA Brownfields Revolving Loan Fund (RLF) grant funds used at Gold Hill Mesa were issued by the [Colorado Coalition Brownfields RLF](#) (EPA's grant recipient) who would be responsible for decisions on remediation (b) (6), (b) (7)(C)

(b) (6), (b) (7)(C) also stated that because of this, the work is done under and overseen by the state, under state law and statutes, and the State Attorney General. CERCLA is not regulated by the Federal Government and therefore the EPA does not certify. In fact, the EPA is prohibited from regulating or enforcing it. The locals were responsible for zoning and the state was responsible for the cleanup.

**CASE:**  
PRELIM-DE-2021-0017

**DATE OF ACTIVITY:**  
June 11, 2021

**INTERVIEWEE (if applicable):**  
NA

**DRAFTED DATE:**  
June 14, 2021

**AGENT(S):**  
(b) (6), (b) (7)(C), (b) (7)(F)

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(b) (6), (b) (7)(C) stated that the Gold Hills Mesa area was reviewed in the 1990's to determine if it was a Superfund site, but it did not meet the criteria. (b) (6), (b) (7)(C) added that there was an area nearby that included some trailers that the EPA did remove and do some work years ago, but it was an unrelated environmental matter, which may have caused some people to believe it was a Superfund area.

(b) (6), (b) (7)(C) also stated that a resident had complained to the EPA about health-related issues they contributed to the mill tailings at Gold Hills Mesa in the past. The EPA referred them to the Agency for Toxic Substances and Disease Registry, under the Center for Disease Control where they underwent evaluation and their claim was declined. (b) (6), (b) (7)(C) could not recall the name of the home owner.

(b) (6), (b) (7)(C) recalled that CDHPE did remedies of the area that included what (b) (6), (b) (7)(C) believed was two layers of impervious barrier covered by clay that was possibly five feet in depth. (b) (6), (b) (7)(C) recalled seeing the foundations being laid, none of which were near the mill tailings piles, but were built on a hill where (b) (6), (b) (7)(C) would expect settling to occur.

Neither (b) (6), (b) (7)(C) or (b) (6), (b) (7)(C) could identify where EPA funds, falsification of records to EPA regarding EPA programs, or any indication of fraud/collusion by EPA employees could be identified, currently or historically.

Nothing further.

**Attachments:**

None

**CASE:**  
PRELIM-DE-2021-0017

**DATE OF ACTIVITY:**  
June 11, 2021

**INTERVIEWEE (if applicable):**  
NA

**DRAFTED DATE:**  
June 14, 2021

**AGENT(S):**

(b) (6), (b) (7)(C), (b) (7)(F)

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DENVER, CO 80202

**CASE #:** PRELIM-DE-2021-0017

**CROSS REFERENCE #:** 2021-0262

**TITLE:** Gold Hill Mesa Housing Project

**INTERVIEWEE (if applicable):** Interviewee

**PREPARED BY:** SA (b) (6), (b) (7)(C), (b) (7)(F)

**MEMORANDUM OF ACTIVITY**  
**INTERVIEW**

**NARRATIVE:** On June 7, 2021, Special Agent (b) (6), (b) (7)(C), (b) (7)(F), Denver Office, Office of Investigations (OIG), Office of Inspector General, U.S. Environmental Protection Agency, Denver, Colorado 80202, conducted an interview of (b) (6), (b) (7)(C) (c)

This interview was conducted because (b) (6), (b) (7)(C), (b) (7)(F) made a complaint alleging fraud and corruption of EPA officials to the hotline. Once identities were established, (b) (6), (b) (7)(C) and (b) (6), (b) (7)(C) provided the following:

At the beginning of the interview (b) (6), (b) (7)(C), (b) (7)(F) explained (b) (6), (b) (7)(C) role and jurisdiction within the OIG and asked if the allegations presented to through the hotline had any evidence of EPA funding associated to environmental studies or of false data or reports on which the EPA or the Colorado Department of Public Health and Environment (CDPHE) relied on in decisions to allow the housing project. (b) (6), (b) (7)(C) additionally asked if (b) (6), (b) (7)(C) had evidence to support the allegation of fraud or corruption of EPA Region 8 officials. (b) (6), (b) (7)(C) stated yes wherein (b) (6), (b) (7)(C) pulled out a 3-inch binder of printed documents and handed it to (b) (6), (b) (7)(C), (b) (7)(F). (b) (6), (b) (7)(C) printed all the emails, websites, marketing, and also included a thumb drive of pictures for later review. When asked what evidence for the allegations would be found in the binder, neither (b) (6), (b) (7)(C) could provide a clear succinct answer.

(b) (6), (b) (7)(C) showcased and endorsed by CDPHE, Colorado Department of Utilities, the

**CASE:**  
PRELIM-DE-2021-0017

**DATE OF ACTIVITY:**  
June 7, 2021

**INTERVIEWEE (if applicable):**  
NA

**DRAFTED DATE:**  
June 8, 2021

**AGENT(S):**  
(b) (6), (b) (7)(C), (b) (7)(F)

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EPA, and city officials. At the time, it was marketed as a LEED Certified home. (Through an independent third-party verification system, the US Green Building Council's LEED-certification affirms the integrity of green building commitments by ensuring project teams are delivering on design plans and goals.) (b) (6), (b) (7)(C)

[REDACTED]

(b) (6), (b) (7)(C)

[REDACTED]

(b) (6), (b) (7)(C)

[REDACTED]

(b) (6), (b) (7)(C)

[REDACTED]

(b) (6), (b) (7)(C)

[REDACTED]

**CASE:**  
PRELIM-DE-2021-0017  
**DATE OF ACTIVITY:**  
June 7, 2021

**INTERVIEWEE (if applicable):**  
NA  
**DRAFTED DATE:**  
June 8, 2021

**AGENT(S):**  
(b) (6), (b) (7)(C), (b) (7)(F)

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(b) (6), (b) (7)(C)

(b) (6), (b) (7)(C)

(b) (6), (b) (7)(C)

(b) (6), (b) (7)(C)

(b) (6), (b) (7)(C)

(b) (6), (b) (7)(C)

**CASE:**  
PRELIM-DE-2021-0017  
**DATE OF ACTIVITY:**  
June 7, 2021

**INTERVIEWEE (if applicable):**  
NA  
**DRAFTED DATE:**  
June 8, 2021

**AGENT(S):**  
(b) (6), (b) (7)(C), (b) (7)(F)

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(b) (6), (b) (7)(C)

(b) (6), (b) (7)(C)

SA (b) (6), (b) (7)(C), (b) (7)(F) will review the documents in the provided binder in a separate memorandum.

Nothing further.

**Attachments:**  
None

**CASE:**  
PRELIM-DE-2021-0017  
**DATE OF ACTIVITY:**  
June 7, 2021

**INTERVIEWEE (if applicable):**  
NA  
**DRAFTED DATE:**  
June 8, 2021

**AGENT(S):**

(b) (6), (b) (7)(C), (b) (7)(F)

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5 pages of special agent's handwritten interview notes withheld in full under exemption 5 (deliberative process), exemption 6, and exemption 7(C). Any factual information in the notes is inextricably intertwined with the deliberative, selective note-taking from the interview.





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1595 WYNKOOP STREET  
DENVER, CO 80202

CASE #: PRELIM-DE-2021-0017

CROSS REFERENCE #: 2021-0262

TITLE: Gold Hill Mesa Housing Project

INTERVIEWEE (if applicable): Interviewee

PREPARED BY: SA (b) (6), (b) (7)(C), (b) (7)(F)

MEMORANDUM OF ACTIVITY  
DOCUMENT REVIEW

NARRATIVE: On June 9-10, 2021, Special Agent (b) (6), (b) (7)(C), (b) (7)(F), Denver Office, Office of Investigations (OIG), Office of Inspector General, U.S. Environmental Protection Agency, Denver, Colorado 80202, conducted a review of the 3-inch binder documents (Attachment 1) provided by (b) (6), (b) (7)(C)

(b) (6), (b) (7)(C) on June 7, 2021. (See MOI – (b) (6), (b) (7)(C)) This interview was conducted because (b) (6), (b) (7)(C) made a complaint alleging fraud and corruption of EPA officials to the hotline.

- Documents show the home was marketed as “Colorado’s first EPA WaterSense-labeled home” as well as a LEED certified home, and EnergyStar Certified in 2011.
- Documents identified that EnergyLogic was the provider who certified all three ratings, specifically (b) (6), (b) (7)(C) Energy Rater, (b) (6), (b) (7)(C).
- An email dated March 26, 2014 from (b) (6), (b) (7)(C) stated the house was never fully LEED certified.
- Another email was found wherein EnergyLogic employee, (b) (6), (b) (7)(C), emailed (b) (6), (b) (7)(C) that there was “no way we could certify it! It’s an energy nightmare!” in reference to retroactively certifying the house.
- No documents were found to suggest the WaterSense or Energy Star ratings were fraudulent. Additionally, the certifications are dated 2011, past the Statute of Limitations.

*Agent Note: WaterSense and Energy Star are programs sponsored by the US EPA. LEED is not an EPA-sponsored program; it is sponsored by the US Green Building Council.*

CASE:  
PRELIM-DE-2021-0017

DATE OF ACTIVITY:  
June 9, 2021

INTERVIEWEE (if applicable):  
NA

DRAFTED DATE:  
June 10, 2021

AGENT(S):  
(b) (6), (b) (7)(C), (b) (7)(F)

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A large number of documents show a number of complaints regarding construction defects with regards to issues with the house efficiency, but not specifically fraudulent claims or any related to the EPA.

One document stated CDPHE was responsible for overseeing the environmental cleanup of the Gold Hill Mesa Site. (b) (6), (b) (7)(C) states in several documents that the EPA was responsible for ensuring "VCUP regulations" were followed by the builder.

*Agent Note: The Voluntary Cleanup (VCUP) and Redevelopment Program was created in 1994 to facilitate the redevelopment and transfer of contaminated properties. The program provides timely (45 days) review of cleanup plans submitted by property owners.*

*Agent Note 2: The EPA and CDPHE has a memorandum of agreement located on the EPA website files, annotating that the CDPHE will implement the program. From the agreement, "Once an application to clean up a site in accordance with the VCUP has been submitted to the CDPHE, EPA will not plan and does not anticipate undertaking any federal action under the comprehensive environmental response, Compensation, and Liability Act..." with noted exceptions. (Attachment 2)*

Geotechnical investigations found in the CDPHE documents maintained in the binder reflected a large heap of tailing saturated with groundwater on the property. Differential settlement of the home as a direct result of settlement of tailings beneath the home from construction of the soil cover and construction of the home was cited in a 2015 report. The report suggests the builder may not have followed recommendations for soil depth. Another report annotated high levels of arsenic and lead in the soil.

(b) (6), (b) (7)(C)

Documents were found indicating that EPA officials congratulated and encouraged the awarded certification of the home. They additionally set up information tables, provided guest speakers, and further information on EPA programs. No documents of evidentiary value were found related to the allegation of fraud and corruption of EPA Region 8 officials.

Nothing further.

**Attachments:**

1. Documents provided by (b) (6), (b) (7)(C) on June 7, 2021 (see electronic file)
2. Memorandum between CDPHE and EPA, date not legible. (see electronic file)

**CASE:**  
PRELIM-DE-2021-0017

**DATE OF ACTIVITY:**  
June 9, 2021

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**INTERVIEWEE (if applicable):**  
NA

**DRAFTED DATE:**  
June 10, 2021

**AGENT(S):**  
(b) (6), (b) (7)(C), (b) (7)(F)

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DENVER, CO 80202

**CASE #:** PRELIM-DE-2021-0017

**CROSS REFERENCE #:** 2021-0262

**TITLE:** Gold Hill Mesa Housing Project

**INTERVIEWEE (if applicable):**

**PREPARED BY:** SA (b) (6), (b) (7)(C), (b) (7)(F)

**MEMORANDUM OF ACTIVITY**  
**FINAL SUMMARY REPORT**

**VIOLATION(S):**

18 U.S.C § 201 – Bribery of Public Officials and Witnesses

**ALLEGATION:** On May 28, 2021, Office of Investigations (OI), Office of Inspector General (OIG), U.S. Environmental Protection Agency (EPA), Denver, CO, was provided information from (b) (6), (b) (7)(C) alleging fraud and corruption by EPA Region 8 and local contractors concerning the Gold Hill Mesa Housing Project. (b) (6), (b) (7)(C) stated that the housing project is built on a former Superfund site, known as the Golden Cycle Mill, which processed gold mine ore. (b) (6), (b) (7)(C) states that EPA Region 8 certified the land and area safe, but the homes are sinking and are filled with toxic issues.

**FINDINGS:** (b) (6), (b) (7)(C) were interviewed, in addition to all documents provided by the complaints being reviewed. Interviews, document reviews, and research did not reveal any evidence of fraud or corruption of EPA Region 8 officials or EPA-related programs. It was further determined the Gold Hill Mesa area was never a Superfund site and all allegations were past the statute of limitations for fraud and public corruption.

**DISPOSITION:** This investigation was not briefed for potential criminal/civil prosecution, or administrative action (b) (5), (b) (7)(E).

All criminal and administrative actions that can be addressed have been completed, and no further investigative activity is warranted. This case is closed.

**CASE:**  
PRELIM-DE-2021-0017

**INTERVIEWEE (if applicable):**

**DATE OF ACTIVITY:**  
June 15, 2021

**DRAFTED DATE:**  
June 15, 2021

**AGENT(S):**  
(b) (6), (b) (7)(C), (b) (7)(F)

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